

## Message Text

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PAGE 01 PRAGUE 01102 290807Z  
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W  
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R 281430Z APR 78  
FM AMEMBASSY PRAGUE  
TO SECSTATE WASHDC 5243

C O N F I D E N T I A L PRAGUE 1102

EXDIS

FOR COUNSELOR NIMETZ FROM AMBASSADOR BYRNE

E.O. 11652: GDS  
TAGS: EFIN, US, CZ  
SUBJECT: STATUS OF CLAIMS/GOLD

REFS A. STATE 09200, B. PRAGUE 0483

1. I APPRECIATE THAT EVEN WITH PRESS OF CURRENT ISSUES  
MAKING IT POSSIBLE FOR THE SECRETARY TO FOCUS ON GOLD/CLAIMS  
ISSUE AT THIS TIME, THE DEPARTMENT HAS BEEN MOVING  
AHEAD ON THIS MATTER. WE HAVE SOME COMMENTS TO OFFER ON RECENT  
DEVELOPMENTS AS UNDERSTOOD FROM HERE.

2. THE PROPOSAL TO SOUND OUT THE FRENCH AND BRITISH ON THE  
POSSIBILITY OF VESTING THE CZECHOSLOVAK GOLD MAKES VERY GOOD  
SENSE. NOT ONLY DO WE OWE IT TO OUR FIRENDS TO CONSULT ON  
ISSUES AFFECTING THEM BUT WE NEED TO ALERT THEM AND OTHERS  
THAT WE TAKE THIS OPTION QUITE SERIOUSLY EVEN IF WE HAVE  
RESERVATIONS ON LEGAL GROUNDS. I AM ALSO HAPPY TO LEARN THAT  
JULIUS KATZ IS BRINGING HIS TALENTS TO BEAR ON THE PROBLEM.

3. I ALSO NOTE THAT OFFICIALS OF THE CZECHOSLOVAK NATIONAL  
COUNCIL, THE GROUP REPRESENTING AMERICANS OF CZECHOSLOVAK  
EXTRACTION, HAVE LATELY WRITTEN THE DEPARTMENT SUPPORTING  
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RENEWED NEGOTIATIONS AND REMINDING US AGAIN THAT OUR NOW  
ELDERLY CLAIMANTS HAVE WAITED OVER THIRTY YEARS FOR A  
SETTLEMENT. WE CONTINUE TO RECEIVE MAIL HERE FROM CLAIMANTS AND THE  
CONGRESS MAKING THE SAME POINT. THE SAGRETARY HAS ALSO HEARD FROM  
THE U.S.-CZECHOSLOVAK ECONOMIC COUNCIL. WHILE WE UNDERSTAND THE  
REASONS FOR LACK OF ACTION, I BELIEVE THE DEPARTMENT WOULD  
FIND IT DIFFICULT TO OFFER AN ACCEPTABLE PUBLIC EXPLANATION

FOR A CONTINUED FAILURE TO REOPEN NEGOTIATIONS IN ACCORD WITH  
THE 1974 MANDATE OF THE TRADE ACT.

4. TO MY MIND, REACHING A DECISION SOON SO THAT WE CAN AT  
LEAST COMPLY WITH THIS MANDATE BY FORMULATING A NEW PROPOSAL  
TO THE CZECHOSLOVAKS IS MORE IMPORTANT THAN THE ACTUAL SUBSTANCE  
OF THE NEW PROPOSAL. THERE IS NO MAGIC IN THE NUMBERS I PROPOSED  
LAST FEBRUARY (REF USDXA OTHR THAN THEIR REASONABLENESS,  
THOUGH THEY SHOULD NOT BE LOWERED; NOR FOR A CREDIBLE NEGOTIATING  
POSTURE SHOULD THE FIGURE EXCEED THE VESTED VALUE OF THE GOLD IN  
OUR POSSESSION. AS A TACTICAL CONSIDERATION, IT SEEMS TO ME WE  
WOULD BE IN A MUCH BETTER POSITION, SHOULD WE EVENTUALLY BE REQUIRED  
TO VEST THE GOLD, AS WELL AS FROM THE U.S. PUBLIC AND CONGRESSIONAL  
PERCEPTIONS, IF WE CAN SHOW THAT WE MADE A REASONABLE PROPOSAL  
WHICH WAS IGNORED OR REJECTED BY THE GOC.

5. I UNDERSTAND FULLY THE MANY RAMIFICATIONS TO BE CONSIDERED  
AS WE PONDER OUR NEXT MOVES AND GREATLY APPRECIATE YOUR KEEPING  
ME INFORMED OF YOUR THINKING ON THIS MATTER, SO FUNDAMENTAL  
TO OUR BILATERAL RELATIONSHIP HERE.  
BYRNE

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NNN

## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** GOLD, CLAIMS, PROGRESS REPORTS  
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**Copy:** SINGLE  
**Draft Date:** 28 apr 1978  
**Decaption Date:** 20 Mar 2014  
**Decaption Note:** 25 YEAR REVIEW  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 20 Mar 2014  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**TAGS:** EFIN, US, CZ  
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**Review Markings:**  
Sheryl P. Walter  
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